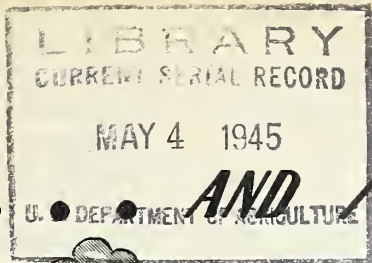


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SOME

QUESTIONS



AND ANSWERS

on



WHERE and HOW to get a FARM

SERVICEMEN who want to farm ask a great variety of questions about farming. Letters to the Department of Agriculture vary greatly in the types of information requested. Many servicemen want answers to special questions. But, in addition, nearly all want to know (1) where to get farms and (2) how to get help in acquiring them. The purpose of this pamphlet is to answer some of the questions which fall under these two heads.

Where Are The Farms?

Many questions are from servicemen and servicewomen who do not have a specific farm or location in mind. They frequently ask questions like these.

Can I get a free homestead? The answer to this question comes close to being "No." Very little public land is left in continental United States that is suitable for farming. The Federal homestead laws are still on the books, but the public lands held by the Government have been pretty well picked over.

Settlement of public land for farming is not permitted under the law unless the land first has been classified as best suited for that purpose. Then, an applicant for a homestead must swear that he personally examined the land. Occasionally, someone who knows a particular area—usually a person who lives nearby—can locate a tract that will pass the suitability test; but during the last few years less than a hundred tracts a year, on the average, have been classified as being suitable for farming. The few tracts that may be available usually will be in the rough and a man would have to do a lot of hard work and spend considerable time and money before he could earn a living from one of them.

The homestead laws involving public lands in the United States, Alaska, and other possessions are administered by the General Land Office, United States Department of the Interior, Washington 25, D. C. If you want to find out more about homesteading possibilities, write to the Department of the Interior for its circulars on Vacant Public Lands and Homesteading in Continental United States.

What about a farm in Alaska? There is some land that may be homesteaded in Alaska and some that may be

bought. Certain areas are suitable for farming, but the chances for success on such farms are limited by lack of markets and transportation facilities. Alaska exports few farm products, and the local demand is limited to what can be sold in the established towns and communities. The population of Alaska is small—less than 100,000 people live in this vast territory.

Before going there to live one should get information about the climate, farming conditions, and markets in the particular area in which he is interested. The best source for such information is L. T. Oldroyd, Director, Agricultural Extension Service and Experiment Station, College, Alaska. For information about how to acquire or lease public lands in Alaska, write to the United States Department of the Interior, Washington 25, D. C., or Register of the District Land Office at Anchorage, at Fairbanks, or Nome, Alaska.

One should remember, too, that many who will go to Alaska to settle will be people who are willing to pioneer and who will not depend on farming alone for a living. They will be willing to put up with hardships and inconveniences now for the sake of better opportunities later, after Alaska is more fully developed.

Will there be farms for sale from Army camp areas and other surplus military lands? Yes, there will be suitable farm land for some family-sized farms. But a big part of the 61½ million acres of military lands bought by the Government is not suitable for farming. Before a veteran or other purchaser can buy a tract of this surplus land, the former owner who sold the land to the Government or his heirs, or tenants, must first be given a chance to buy it. These lands will be sold only when declared surplus to military use, and wide public notice will be given when tracts from any particular site are placed on sale. Authority for determining how and when surplus lands will be sold has been placed in the hands of the Surplus Property Board, Washington 25, D. C.

Are more farms to be opened up through irrigation and drainage? About 65,000 irrigation farms in the West could be developed in about 3 to 5 years after the war, when

present Federal irrigation projects under way or authorized are completed, if funds therefor are made available. Also, an estimated 40,000 farms could be developed in the Mississippi Delta and another 20,000 in scattered areas throughout the country by drainage and improvement of cut-over lands. Such drainage and "cut-over" development usually has been by private enterprise, sometimes through the setting up of drainage districts under State laws.

Future development by irrigation or other public programs will depend largely on public policy and the demand for farm products. If one is hoping for a farm on a project still to be constructed or completed, or if he is offered private lands in areas proposed for irrigation or other development, he should proceed with caution. Careful inquiry should be made from authoritative sources as to when actual operation directly benefiting the particular lands being considered will begin.

If a private owner offers land for sale within a reclamation project area, it is wise to check with the Federal Bureau of Reclamation before buying, to be sure the land actually will get water. For details about future opportunities in reclamation projects in the West, write Bureau of Reclamation, United States Department of the Interior, Washington 25, D. C.

Where are the farms that can be bought now? Most of the farms available at present are farms that can be bought from present owners—farms for sale by farmers retiring from work or changing to other occupations and farms for sale which were previously bought for investment by absentee owners. About 300,000 farms and farm tracts changed hands by voluntary sale last year. These are privately owned farms, and the Federal Government, of course, has no list of them. Definite and reliable information about them can be had only in the counties from persons who are able to keep up with changing local conditions. (See section below, How can I get help in acquiring a farm?)

What about part-time farms? There is considerable acreage of privately owned land within an hour's drive of larger towns and industrial centers from which small tracts might be bought and developed by persons who want rural homes or part-time farms. Usually, these small sites are not meant to be self-supporting—they are paid for chiefly from outside income and, strictly speaking, are not thought of as farms.

It may be that the purchase of such a place and its improvement will have to be financed simply as a home, with a long-term home loan from a bank, mortgage company, or other home-lending agency. But in some cases, where the larger part of the purchaser's income is to be from farm crops or livestock, a part-time farm can be financed as a farm unit. Information on this subject can be obtained from the United States Department of Agriculture, Washington 25, D. C. Ask for circulars on Part-Time Farming, and for the Farm Credit Administration leaflet, Mortgage

Loans on Part-Time or Full-Time Farms Where Dependable Outside Income Is Available.

Servicemen who may want to engage in such special types of farming and enterprises as the commercial production of fur-bearing animals (including rabbits), game birds, white rats and white mice, frogs, and guinea pigs can obtain information on the subject by writing to the Fish and Wildlife Service, Department of the Interior, Merchandise Mart, Chicago 54, Ill.

How Can I Get Help In Acquiring a Farm?

In the process of getting started in farming the soldier can get many helps along the way. Questions often asked about such aids and the answers follow:

Where can I get help in making up my mind about farming? Information to help a serviceman make up his mind as to whether he wants to farm, where he wants to farm, and the type of farming he wishes to follow, can be had by writing to the Department of Agriculture, Washington 25, D. C. Ask for such booklets or leaflets as, Shall I Be a Farmer? Getting Started In Farming, and About That Farm You're Going to Buy. Farmers' Bulletins on many specific farm subjects are also available.

Men in service may obtain considerable help, too, through self-teaching courses in farming offered by the United States Armed Forces Institute. For details, servicemen should get in touch with their Special Service or Educational Officer or write to the USAFI at Madison, Wis.

Where can I get advice and help if I know the State in which I want to farm? As soon as a serviceman has decided on the State in which he would like to locate, he can get in touch with the State College of Agriculture for further information especially applicable to that State. He can write to the State Director of the Extension Service, usually located at the college. State experiment stations, which constantly study and issue reports on State and regional farm problems, also usually have offices at the college. Addresses are at the bottom of page 4.

Who can give advice about particular farms? When a serviceman has selected the county in which he wants to settle, he can seek the advice and assistance of the county agricultural agent. The county agent (usually located at the county seat, or his address may be obtained from the State extension director) can help the serviceman size up individual farm plans and can give him other advice about the particular farm or farms in which he may be interested.

In most agricultural counties there is a county Veterans' Agricultural Advisory Committee to assist the county agent in helping returning servicemen. This committee can advise a serviceman about any farms in the county that might be available, the crops suitable to the county, local farming practices, how much debt is safe, how to rent a place, and the size of farm necessary to support a family. In short, the county agent and the committee can give first-hand advice suited to individual needs, based on local conditions and knowledge of particular farms.

Who can advise about loans? One man's own financial problem may be just a little different from another's. For this reason, there is nothing that will quite take the place of an across-the-table talk with reliable people of the county in which one expects to buy his farm. The county agricultural agent or some member of the county Veterans' Advisory Committee can give preliminary suggestions on loans. But when one reaches the point where he is seriously considering the purchase of a particular farm, he will want to talk with local bankers and representatives of other lending agencies in the county.

What kind of loan should I get? A would-be borrower should remember that every loan must stand or fall on its own merit and that all the answers about a particular loan cannot be given here. This pamphlet can, of course, outline in a general way what sort of loans are to be had for purchasing, equipping, and operating a farm.

If a veteran has cash for a down payment amounting to one-fourth to one-half of the appraised value of the farm to be bought, he will have several credit sources to choose from—perhaps to bargain with. There may be a bank in the county where the farm is located. There are the insurance companies and individual lenders. Maybe the person selling the property will accept a purchase-money note with satisfactory payments. Or it may be possible to get a long-term "Land Bank" or "Land Bank Commissioner" loan through the Federal Land Bank, which is one of the lending agencies of the Farm Credit Administration.

Federal Land Bank district offices are located in a dozen principal cities (Springfield, Mass.; Baltimore, Md.; Columbia, S. C.; Louisville, Ky.; New Orleans, La.; St. Louis, Mo.; St. Paul, Minn.; Omaha, Nebr.; Wichita, Kans.; Houston, Tex.; Berkeley, Calif.; and Spokane, Wash.) and all agricultural counties are served by National farm loan associations. Each of these is a sort of local office set up by farmers to handle Federal Land Bank and Land Bank Commissioner Loans.

These Land Bank and Commissioner loans may be made to farmers or prospective farmers whose income is to come mostly from farming. A main advantage is that they may be paid off in regular payments, over a long period—not less than 5 nor more than 40 years. The interest rate on Land Bank Loans, through National Farm Loan Associations, is 4 percent. The usual rate for Land Bank Commissioner loans has been 5 percent, but effective February 1, 1945, the rate to veterans on Commissioner loans guaranteed under the "GI Bill of Rights" is also 4 percent. (See "GI Bill of Rights" on next page.)

The Production Credit Association is another lending agency of the Farm Credit Administration. Short-term loans for equipping and operating a farm may be obtained at reasonable interest rates from the Association that serves the county in which the farm is located. For further information about these long- and short-term loans, see Farm Credit Administration leaflets, Land Bank and Land Bank

Commissioner Loans, and Loans by Production Credit Associations, or write to the central office of the Farm Credit Administration at Kansas City, Mo.

What if I am short on cash? World War II veterans who are experienced or trained in farming but who have insufficient ready cash for the usual down-payment may find their way to farm ownership through one of two Governmental provisions: (1) The Farm Security Administration's Farm Purchase Program, and (2) The Loan Guaranty Provision of the "GI Bill of Rights."

The Farm Security Administration was authorized by Congress, in 1937, under terms of the Bankhead-Jones Farm Tenant Act, to make loans to capable farm tenants and farm laborers to buy and operate family-sized farms, under supervision. More recent congressional action makes the veteran of World War II eligible for this same "Farm Purchase" program, if the individual applicant is found to fit into the program.

Under the Farm Security Administration Farm Purchase program, the buyer of a farm has the assistance of the county FSA supervisor in planning and operating his farm. The loan is at 3 percent interest, repayable in 40 years on a variable payment plan. Payments larger than the average may be paid in good crop years with smaller payments in lean crop years. The loan may be made for the full purchase price of the farm.

No Farm Purchase loan is made until a committee of local farmers, known as the county FSA committee, first determines that the borrower has a reasonable chance to make a living and pay for the farm he proposes to buy. In determining whether an applicant is eligible for a Farm Purchase loan, three important questions must be considered by the committee: Is the veteran who applies for a farm loan likely to carry out the undertaking required of him under the loan? Can this veteran locate a desirable farm? And can the farm be bought at a price so it can be made to pay for itself over a reasonable period of years?

In general, FSA Farm Purchase loans are limited to applicants who are unable to obtain satisfactory credit from sources other than FSA. This will hold true also for veterans, except in cases where a veteran is not likely to succeed in farming without supervision of the type provided by FSA. In such case he will not be denied an FSA loan, even though he might be able to obtain an unsupervised loan from another source.

Short-term loans for operating purposes—seed, feed, fertilizer, farm equipment, livestock, and family living expenses—may also be obtained from the Farm Security Administration. The interest rate is 5 percent and the loans are repayable in 1 to 5 years. This type loan is at present limited to farmers—including tenants—who are unable to obtain adequate credit at reasonable rates from other sources.

For FSA loans and services, application should be made to the county FSA office nearest the prospective farm, or

for further information write to the Farm Security Administration, United States Department of Agriculture, Washington 25, D. C.

The Loan Guaranty Provision of the "GI Bill of Rights" (Servicemen's Readjustment Act of 1944) is intended to make it easier for War II veterans to borrow from local banks, loan associations, or other lenders. This law includes a provision for partial guaranty by the Veterans' Administration of loans to War II veterans to buy farm land, livestock, and equipment, or to improve farms.

As much as 50 percent of the loan can be guaranteed, provided this 50 percent does not exceed \$2,000. This means that on loans of \$4,000 or above, the guaranty can be only \$2,000; on loans under \$4,000 the guaranty can be only 50 percent of the loan. The Veterans' Administration will not lend a veteran money outright but, in effect, will endorse his note, within the limits described above. But there are some strings attached—which serve to protect the veteran. He must know how to farm, be able to locate a productive farm at a fair price, and be able to operate it on a sound basis.

One provision of the "GI Bill" makes it possible, under certain conditions, for a "second-mortgage" loan—not to exceed one-fifth of the purchase price of the property—to be guaranteed in full. Such secondary loans may be guaranteed if a first mortgage loan has been made, approved, or insured, by a Federal agency. For instance, a veteran with a sound proposition might get a Land Bank Commissioner loan (which requires no guaranty) in an amount up to 75 percent of the appraised value of a farm, then use his GI guaranty to obtain from a bank or other lender a secondary loan of 20 percent against the same property, leaving only about 5 percent to be paid in cash.

The law does not limit the amount of the loan, or loans, which may be obtained, but the total amount guaranteed under the GI Bill for any one veteran cannot exceed \$2,000.

A man and wife, both of whom are eligible veterans, or two eligible brothers, or two or more eligible veterans operating as partners, may each get the guaranty as individuals for joint purchase of property. An interest rate not to exceed 4 percent will be charged on loans guaranteed under the GI Bill, and the interest for the first year, on the amount guaranteed, will be paid by the Veterans' Administration.

The Veterans' Administration has designated the United States Department of Agriculture to aid in carrying out the regulations guaranteeing farm loans. Most of the work (including advice to the veteran, appraisal of the farm, and preliminary approval of the loan for the guaranty) will be done by committees and other Department representatives in the various counties—where the farms to be bought or offered for security are located, and where the applicants for loans are known or can be personally interviewed.

Thorough appraisal of the property to be bought will be

made by an experienced appraiser of the Farm Credit Administration. A local certifying committee, made up of the county FSA committee (referred to previously) and a war veteran, has been assigned the duty of recommending whether a veteran applying for a loan can be expected to make a success of his undertaking and whether, under the regulations, he is entitled to have his loan guaranteed.

Where should I apply for the "GI Loan Guaranty"? The bank, mortgage company, or other lending agency from which the veteran expects to get his loan will explain the regulations pertaining to his particular case and help him to make proper application for the guaranty. It is well to remember that if one lender refuses to make a loan, another lender may be sought. Also, a request for a loan on one piece of property might be turned down, while an application by the same person on a different piece of property might be approved. A veteran's loan, like any other, should be negotiated on individual merit. He is "selling" himself and his security—he can shop around.

Addresses of State Directors of Extension Service

School of Agriculture, Auburn, *Alabama*. University of Alaska, College, *Alaska*. College of Agriculture, Tucson, *Arizona*. College of Agriculture, Fayetteville, *Arkansas*. College of Agriculture, Berkeley, *California*. Colorado State College of Agriculture and Mechanic Arts, Fort Collins, *Colorado*. College of Agriculture, Storrs, *Connecticut*. School of Agriculture, Newark, *Delaware*. College of Agriculture, Gainesville, *Florida*. College of Agriculture, Athens, *Georgia*. College of Agriculture, Moscow, *Idaho*. College of Agriculture, Urbana, *Illinois*. School of Agriculture, Lafayette, *Indiana*. Iowa State College of Agriculture and Mechanic Arts, Ames, *Iowa*. Kansas State College of Agriculture and Applied Science, Manhattan, *Kansas*. College of Agriculture, Lexington, *Kentucky*. Agricultural and Mechanical College, Baton Rouge, *Louisiana*.

College of Agriculture, Orono, *Maine*. College of Agriculture, College Park, *Maryland*. Massachusetts State College, Amherst, *Massachusetts*. Michigan State College of Agriculture and Applied Science, East Lansing, *Michigan*. Department of Agriculture, University of Minnesota, University Farm, St. Paul, *Minnesota*. Mississippi State College, State College, *Mississippi*. College of Agriculture, Columbia, *Missouri*. Montana State College, Bozeman, *Montana*. College of Agriculture, Lincoln, *Nebraska*. College of Agriculture, Reno, *Nevada*. College of Agriculture and Mechanic Arts, Durham, *New Hampshire*. State College of Agriculture and Mechanic Arts, New Brunswick, *New Jersey*. New Mexico College of Agriculture and Mechanic Arts, State College, *New Mexico*. New York State College of Agriculture, Ithaca, *New York*. North Carolina State College of Agriculture and Engineering, State College Station, Raleigh, *North Carolina*. North Dakota Agricultural College, State College Station, Fargo, *North Dakota*. College of Agriculture, Columbus, *Ohio*. Oklahoma Agricultural and Mechanical College, Stillwater, *Oklahoma*. Oregon State College, Corvallis, *Oregon*. School of Agriculture, State College, *Pennsylvania*. School of Agriculture, Kingston, *Rhode Island*.

Clemson Agricultural College, Clemson, *South Carolina*. South Dakota State College of Agriculture and Mechanic Arts, Brookings, *South Dakota*. College of Agriculture, Knoxville, *Tennessee*. Agricultural and Mechanical College of Texas, College Station, *Texas*. Utah State Agricultural College, Logan, *Utah*. College of Agriculture, Burlington, *Vermont*. Virginia Agricultural and Mechanical College, Blacksburg, *Virginia*. State College of Washington, Pullman, *Washington*. College of Agriculture, Morgantown, *West Virginia*. College of Agriculture, Madison, *Wisconsin*. College of Agriculture, Laramie, *Wyoming*.

Addresses of State Directors of Experiment Stations are the same as for the Extension offices, with the following exceptions: Address the Georgia Agricultural Experiment Station at Experiment. Address the Ohio Agricultural Experiment Station at Wooster.

